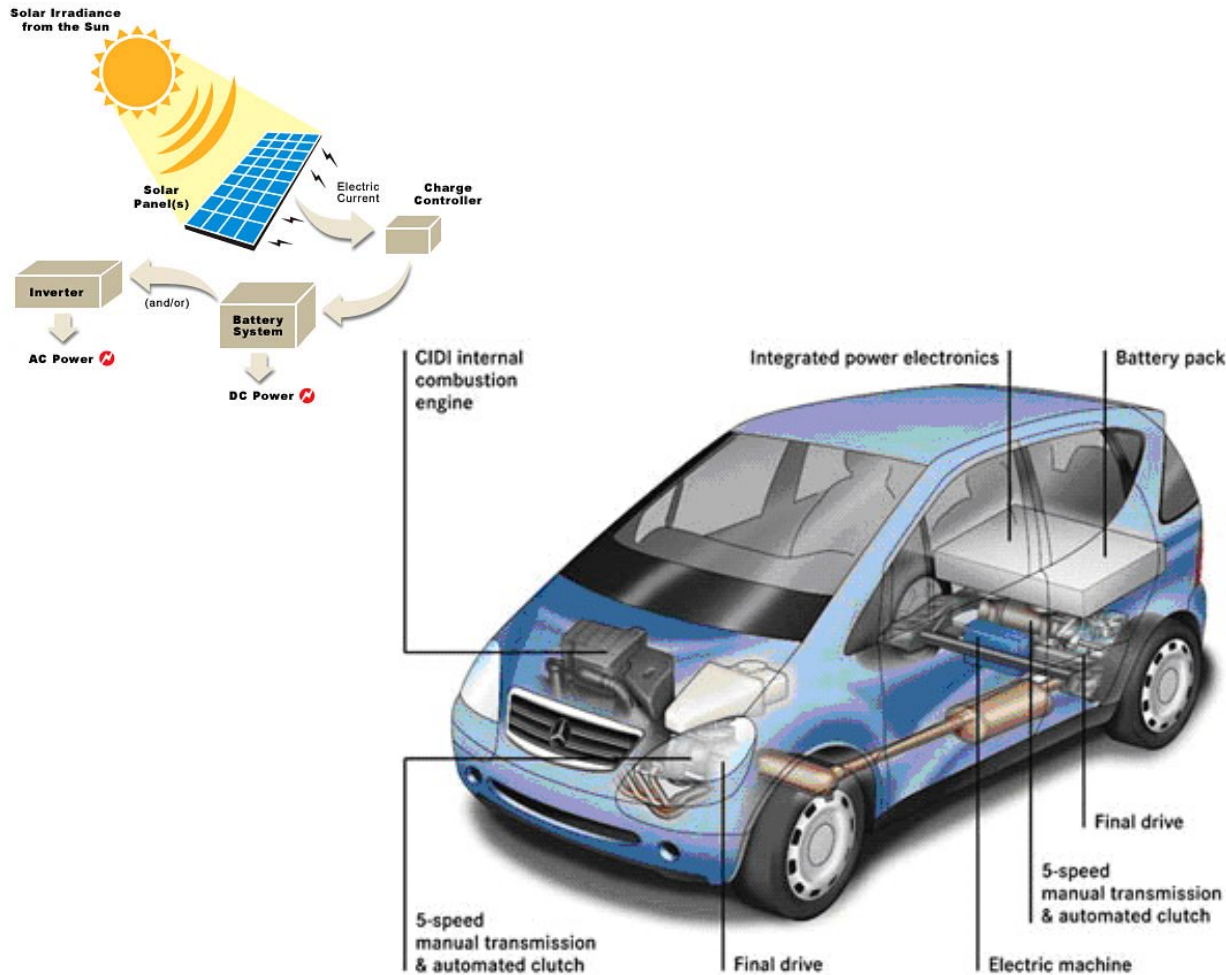


Green Movement: Challenges *and* Opportunities

May 12, 2010 10:30 to 11:00

David R. Hagopian
Director of Strategy and Technology
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Green Movement



Product Life Cycle



1930 - 1975



1975

1985

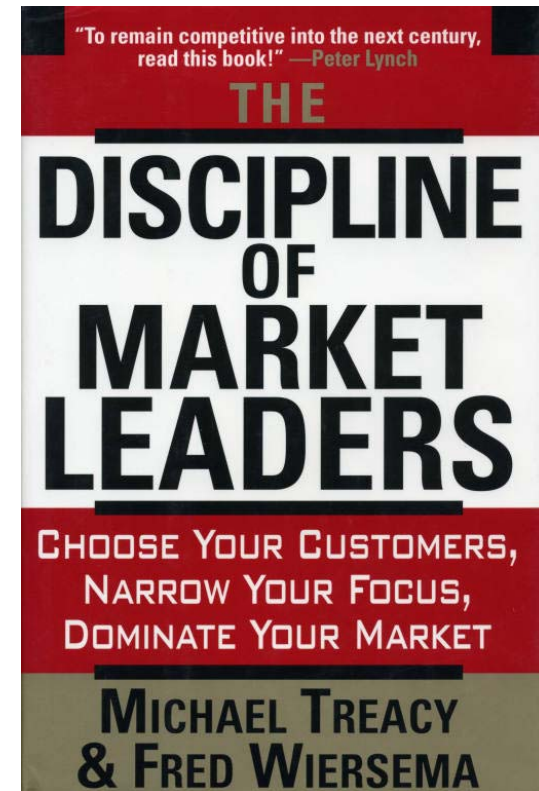


2010

1930 - 1970



Market Leadership



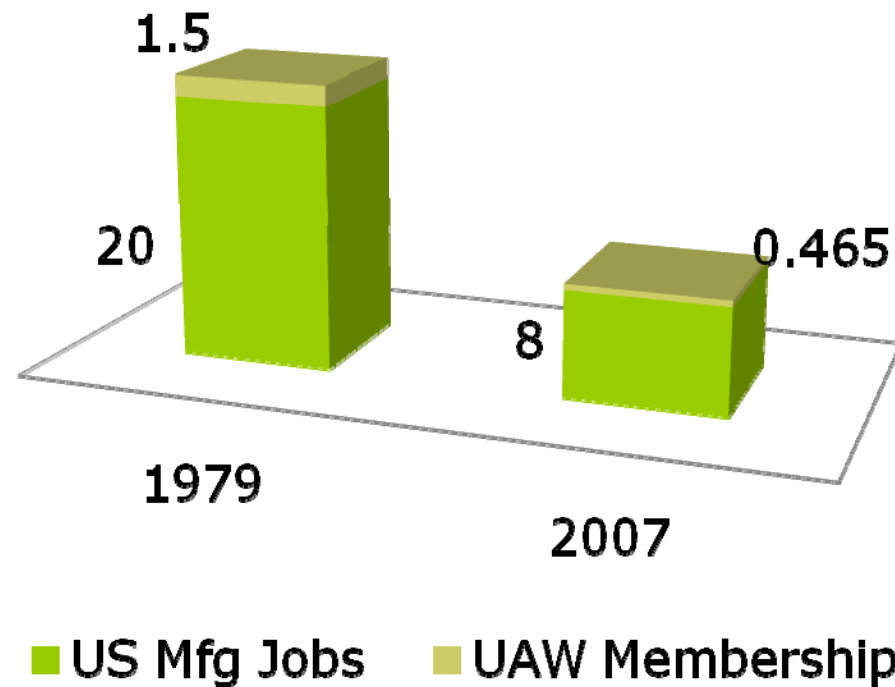
Value Disciplines



Note: Adapted from *The Discipline of Market Leaders*

US Manufacturing

Employment in Millions



Consumerism



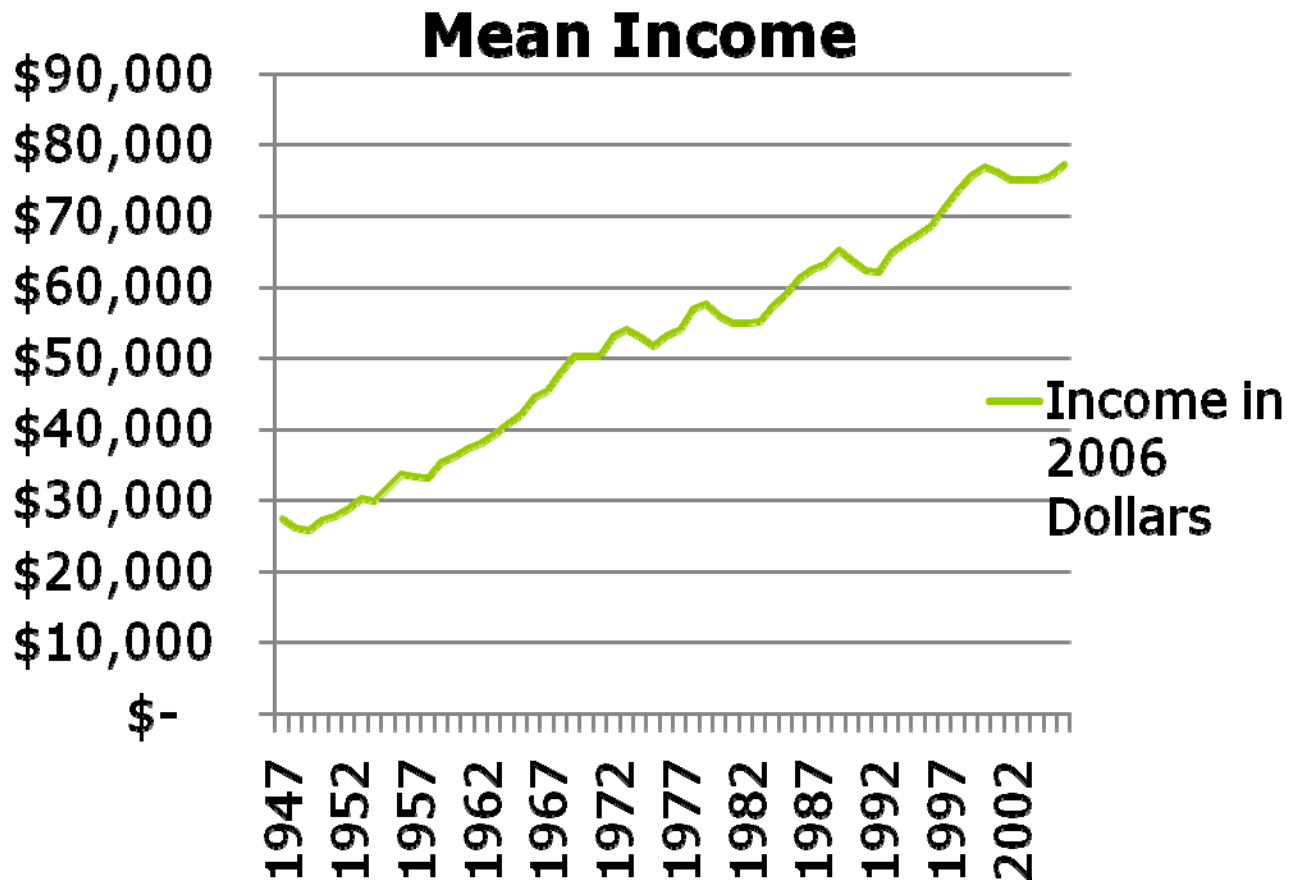
Before



After



Affluence



Technology & Competition



Old Market

- ✓ Single Provider
- ✓ Telephone only

New Market

- ✓ Multiple providers
- ✓ Land & Wireless Telephone
- ✓ Entertainment
- ✓ Internet Access



Plumbing Influences from Retail

SEARS HOLDINGS



Function to Fashion



Buy it for looks. Buy it for life.®



The Moen Monticello Faucet



Green Challenges

WARNING

ALL AREAS OF THIS DEALERSHIP CONTAIN CHEMICALS KNOWN TO THE STATE OF CALIFORNIA TO CAUSE CANCER AND BIRTH DEFECTS OR OTHER REPRODUCTIVE HARM. THESE CHEMICALS ARE CONTAINED IN VEHICLES AND PARTS AND ACCESSORIES OFFERED FOR SALE AND IN SOME OF THE PRODUCTS AND MATERIALS USED TO MAINTAIN THE PROPERTY, AND IN EMISSIONS, FUMES, AND SMOKE FROM BUSINESS OPERATIONS, EMPLOYEE AND GUEST ACTIVITIES, INCLUDING, BUT NOT LIMITED TO, THE OPERATION AND SERVICING OF MOTOR VEHICLES, AND THE USE OF TOBACCO PRODUCTS.

**(POSTED IN ACCORDANCE WITH PROPOSITION 65,
CALIFORNIA HEALTH AND SAFETY CODE §25249.5 ET SEQ.)**

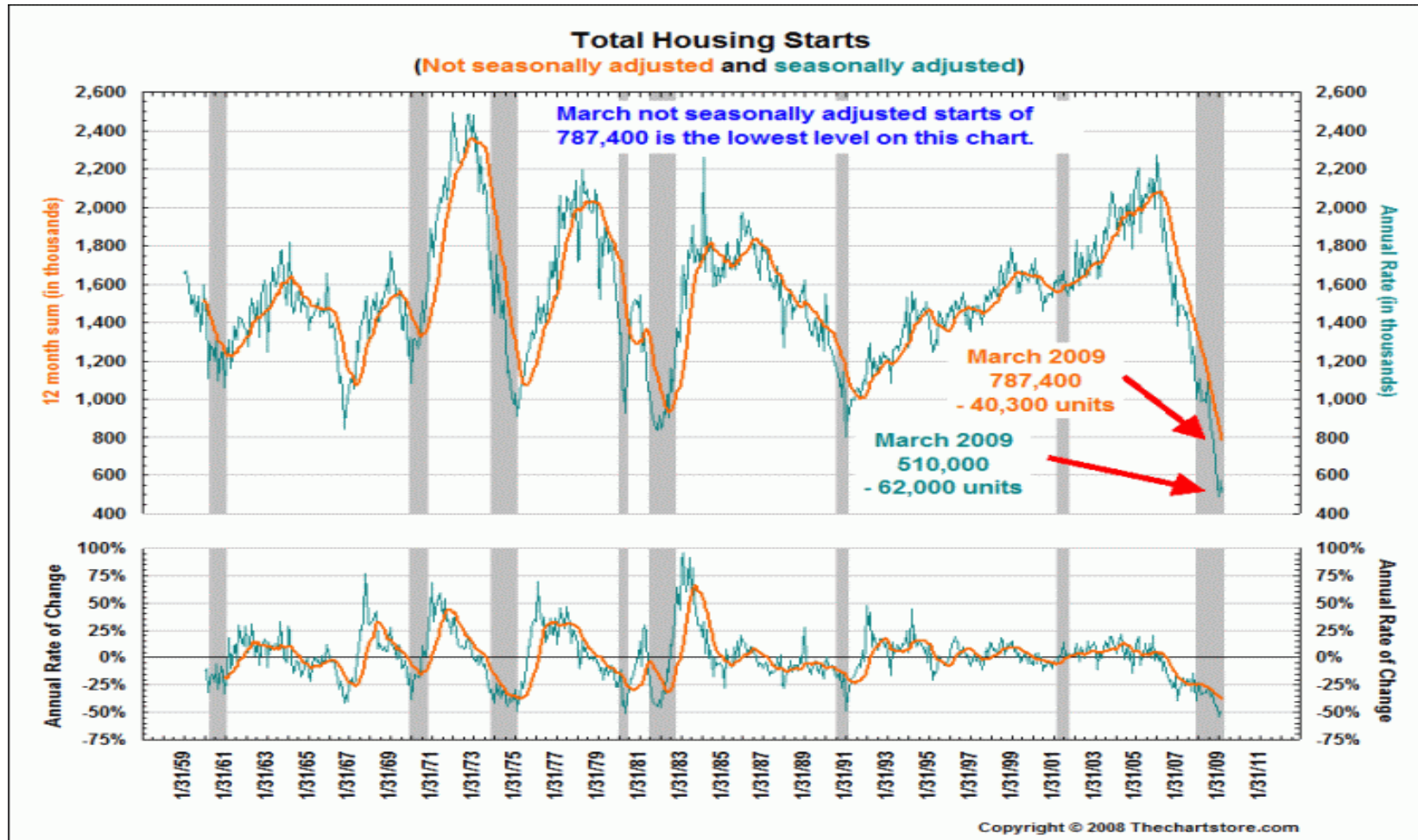
Green Movement: Highly Populated Landscape



Federal, State, &
Local Regulation



Number One Challenge



Green Opportunity: Water Efficiency

PMI Efforts in California & Texas

Opportunities:

- ✓ Eliminating litigation rich situations
- ✓ Focus on making compliant products
- ✓ Harmonization leads to consumer protection
- ✓ Work with Legislators and Manufacturers
- ✓ Protects both the environment and public health

An example of opportunities coming from what previously may have been considered challenges by all involved.

Opportunities from Challenges

Gary Dahl

1975

Los Gatos, California

Opportunities from Challenges



Challenges

1975

- ✓ **Economic Downturn**
- ✓ **Watergate**
- ✓ **Vietnam**
- ✓ **Unemployment**
- ✓ ***Youth Unrest***

Challenges

1975

- ✓ **Economic Downturn**
- ✓ **Watergate**
- ✓ **Vietnam**
- ✓ **Unemployment**
- ✓ **Youth Unrest**

2010

- ✓ **Two wars**
- ✓ **8 million jobs lost in 30 years**
- ✓ **US dollars going overseas**
- ✓ **Federal debt**
- ✓ **States financial crisis**

Green Opportunities

- ✓ **Geothermal heating & Cooling**
- ✓ **Insulated Concrete Forms**
- ✓ **Structural Insulated Panels**
- ✓ **PEX Manifold Water Delivery Systems**
- ✓ **EPA Water Sense: Dual Flush Toilets & Low Flow Fixtures**
- ✓ **Locally Sourced Building Materials**
- ✓ **Low and No-VOC Finishes**
- ✓ **Location, Ventilation & Day-lighting Strategy**
- ✓ **Recycled & Recyclable Material Choices**
- ✓ **High Percentage Fly Ash based Concrete**
- ✓ **Energy Star Appliances**
- ✓ **Solar Panel Installation**

Green Opportunities

The difference between
“and” & “are”

Green Movement

Green Movement: Challenges *and* Opportunities

Green Movement

Green Movement: Challenges *are* Opportunities



Green Movement Challenges

- ✓ New class of consumers that require you to understand them in a way that was not required before
- ✓ New consensus standards that regulate products, performance, and materials
- ✓ Politically driven public perception

Green Movement Opportunity

- ✓ LEED Platinum Home

Scott & Linda Phillips
723 Spring Street
Ann Arbor, Michigan

Green Movement: Challenges are Opportunities